

## University of Louisville Health Sciences Center

## Stakeholder Input:

## Certificate of Need Modernization

1. The University of Louisville Health Sciences Center

The University of Louisville Health Sciences Center is comprised of four academic schools (School of Medicine, School of Nursing, School of Dentistry, and School of Public Health and Information Sciences) which train the next generation of health care providers.

2. Need for Additional Health Care Providers in Both Rural and Urban Areas of the Commonwealth

- a. The Deloitte Healthcare Workforce Capacity Report released in December 2013 ("Deloitte Report") quantified the health care workforce shortage in Kentucky as of 2012. The state health care workforce deficit in 2012 was 3,790 physicians (both specialists and primary care providers), 612 dentists (150 in Jefferson county alone), 148 advanced practice registered nurses, and 5,635 registered nurses. The current and projected need for licensed health care providers post-Affordable Care Act implementation is likely to be significantly higher. Many of the counties with the largest physician and dentist deficit are in close proximity to the University of Louisville (Jefferson, Bullitt, Hardin).
- b. The Deloitte Report acknowledges the need to expand physician residency supply within the state and recommends a number of action items, including the facilitation of public/private partnerships to expand residency supply. See Deloitte Report at p. 66. The Deloitte Report correctly notes some limitations, including the need for additional federal, state or other funding as well as physical and programmatic infrastructure costs; however, there are additional complicating factors not identified within the Deloitte Report. Each of the medical schools within the state must satisfy Liaison Committee on Medical Education (LCME) accreditation standards for teaching medical students and Accreditation Council for Graduate Medical Education (ACGME) accreditation standards for each of its residency training programs. Increasing medical student and/or residency training programs within the state would require: (1) capital to expand the physical capacity of academic buildings; (2) money to recruit and pay for additional faculty; (3) access to and financial support from additional hospital and outpatient training sites; and (4) access to additional teaching patients. The University of Louisville trains all of its students and residents at hospitals owned or operated by community hospitals within the Commonwealth, primarily in Jefferson County. The priorities of our teaching

hospital partners may not always be consistent with the priorities and needs of our medical, dental and nursing schools. The University of Louisville, as well as the University of Kentucky and University of Pikeville, would benefit greatly from any reforms to the Certificate of Need, Facility Licensure and Medicaid programs which incentivize public/private partnerships with our medical schools to increase physician supply.

### **3. Need for New Health Care Delivery Models in Post-Affordable Care Act Era**

The Cabinet for Health and Family Services correctly identified a number of challenges to robust health care reform and health care delivery in the future. Kentucky could benefit from creating new and updating existing health care facility licensure standards, corresponding reimbursement rules, as well as certificate of need criteria, if any. Among other things, Kentucky may want to examine new health care delivery models such as:

- a. Accountable Care Entities,
- b. Patient Centered Medical Homes, and
- c. More comprehensive, full service outpatient centers (e.g., ASC+).

### **4. Potential Reforms to the Certificate of Need and Licensure Programs**

The University of Louisville Health Sciences Center offers the following considerations for potential reforms to the certificate of need and licensure programs which would further the implementation of the Cabinet's Core Principles:

- a. Pilot program for new health care delivery models (e.g., accountable care entities, patient centered medical homes, etc.) to be developed by state teaching institutions (UofL, UK and UPike) either alone or in public/private partnership. [Core Principle: Supporting the Evolution of Care Delivery; Improving Access to Care; and Incentivizing Development of a Full Continuum of Care]
- b. Preferential CON treatment for applicants affiliated and integrated with state teaching institutions (UofL, UK and UPike). Need to carefully define which applicants would qualify (e.g., letter of support and recommendation from the state teaching institutions, commitment of financial support to teaching program and mission, etc.). The Commonwealth's medical and osteopathic schools (UofL, UK, and UPike) are the only in state teaching institutions which can directly impact the supply of future physicians in the Commonwealth. To the extent that the Commonwealth has identified a need to train or recruit new doctors in particular specialties, certain "need" criteria within the State Health Plan could be relaxed for applicants who are committed to training students and residents.

**Additionally, the State Health Plan should be revised to take into account the limitations and vulnerabilities that state teaching institutions (UofL, UK and UPIke) have with existing facilities. [Core Principle: Improving Access to Care and Exempting Services for which CON is No Longer Necessary]**

- c. Preferential CON treatment for health care facility and service applicants who will serve a designated number or percentage of Medicaid patients in a given population. [Core Principle: Improving Access to Care]**
- d. Continued enhancement of services permitted to be provided via telehealth (e.g., mental health) and reimbursement reform to encourage expansion. [Core Principle: Improving Access to Care and Promoting Adoption of Efficient Technology]**
- e. Flexibility to move hospital (and other licensed health care facilities) across contiguous county lines or within designated distance (e.g., 50 miles). [Core Principle: Improving Access to Care and Exempting Services for which CON is No Longer Necessary]**
- f. Flexibility to move beds within a health care system and across contiguous county lines or within designated distance (e.g., 50 miles). [Core Principle: Improving Access to Care and Exempting Services for which CON is No Longer Necessary]**